

of Representatives STRICKLAND and NEY to try to find a mutually acceptable compromise. Based on these efforts between our respective offices and our constituents, and with strong and critical support from Ways and Means Committee Staff Dave Kavanaugh, Michael Walsh and Viji Rangaswami, as well as representatives of the Bush Administration, we were able to find just such a compromise. This mutually acceptable language is now included in H.R. 5383 as it appears before the full House today.

I thank all those associated with tirelessly working out the compromise provision. I also thank Chairman THOMAS and Representatives RANGEL, CRANE and LEVIN for their leadership in moving legislation that has so measurable an impact back in our home districts, especially during such uncertain economic times.

THE DEPUTY SECRETARY OF STATE,
Washington, DC.

Hon. JOE KNOLLENBERG,
House of Representatives.

DEAR MR. KNOLLENBERG: Our staffs have recently discussed the Turkey-Armenia border issue. To follow-up on the questions raised in those discussions, I want to let you know our views.

The Administration is pressing Turkey to restore economic, political and cultural links with Armenia, and is encouraging Turkey to open its border with Armenia. We believe that such action would promote the economic development of both Turkey and Armenia. We are aware of the economic impact that this border closure has on Armenia. The Department of State, in coordination with the U.S. Trade Representative, will provide to Congress by March 31, 2003, a report on the economic impact of the border closure on Armenia and Turkey, and on diplomatic contacts with both parties on this issue.

In addition, as you know, the United States has largely completed its negotiations with Armenia with respect to accession talks with the World Trade Organization (WTO) and is now prepared to make Armenia's accession to the WTO an Administration priority. To that end, we are working with other WTO members to complete, by the end of this year, negotiations with Armenia for its accession to the WTO.

We look forward to working with you on these important issues.

Sincerely,

RICHARD L. ARMITAGE.

Mr. KNOLLENBERG. Mr. Speaker, I rise in support of this legislation, but I want to use my time to address one item in the bill, the Turkey Qualifying Industrial Zone provision.

I, along with the gentleman from New Jersey, Mr. PALLONE, serve as Co-Chairs of the Congressional Caucus on Armenian Issues. We had grave concerns about adding this provision to the bill given Turkey's continuing illegal blockade of Armenia in solidarity with Azerbaijan.

In order to achieve the stated U.S. policy goals of regional cooperation and economic integration in the Caucasus region, Turkey must restore economic, political and cultural links with Armenia as President Bush called for in his April 24, 2002 statement. It is in the national interest of the United States for Turkey to normalize relations with Armenia and open its border.

I have discussed this issue at great length with the White House, State Department and USTR. I feel that many of our concerns on this point have been addressed and that there appears to be a willingness on the part of the

Administration to devote increased energy to lifting the blockade and helping to offset its impact on Armenia.

I am going to submit for the record a letter sent to me by Deputy Secretary of State Richard Armitage explaining these commitments. An identical letter was sent to Congressman PALLONE.

I feel that this is an important step forward and I await with interest the report on the economic impact of the blockade. I will, of course, carefully monitor the commitments in this letter and will continue working through every legislative means at our disposal to make progress toward bringing an end to Turkey's blockade of Armenia.

While we have many outstanding issues to resolve, I feel that the Turkey trade provision included in H.R. 5385 is not, in and of itself, sufficient reason to vote against this legislation. I urge Members not to oppose this bill because of this issue.

Mrs. CHRISTENSEN. Mr. Speaker, I rise in support of H.R. 5385, the Miscellaneous Trade and Technical Corrections Act and urge my colleagues to support its adoption.

H.R. 5385 includes two bills I introduced earlier this year, H.R. 3395 and H.R. 4179, to bolster the economy of my district, the U.S. Virgin Islands, especially the island of St. Croix.

Mr. Speaker, I introduced H.R. 3395 to fix an anomaly in existing law which permits duty rebates on products imported into the United States and then shipped to foreign countries, but which does not allow for such drawback for products imported into the United States and then shipped to our insular areas. This form of "Catch-22" exists because under the current legal interpretation, U.S. insular areas are outside the Customs territory of the United States, but at the same time are not deemed to be foreign countries. This means that companies that want to import goods to the United States for subsequent distribution in the Virgin Islands for example, are unable to receive a rebate of the duty paid, even though the goods ultimately are not sold within the United States customs territory. This actually hurts employment in the United States and has a negative impact on the ability of merchandise to move in and out of our insular areas.

My second bill, H.R. 4179, make a series of technical and/or non-controversial adjustments to the Production Incentive Certificate ("PIC") program for watch and jewelry produced in the U.S. insular areas. In the near term, this legislation improves the operation of the PIC program for both watch and jewelry manufactures in the U.S. Virgin Islands—producers that provide a critical source of employment for the Territory. Over the longer term, this legislation would protect the PIC program and related duty incentives from the effects of any future reduction or elimination of watch tariffs.

Mr. Speaker, even though a company recently announced the closure of its facility on St. Croix and consolidate their operations in Switzerland where they are headquartered, the watch industry remains the largest light manufacturing industry in the U.S. Virgin Islands and remains one of the most important direct and indirect sources of private sector employment in the Territory.

The insular watch production industry is also highly import-sensitive and faces continued threats from multinational watch producers, who have continued to move their watch production to lower wage countries.

The various technical adjustments set forth in this legislation would enhance the ability of insular watch and jewelry producers to utilize the PIC program while, at the same time, retaining overall PIC program unit and dollar value limits. Additionally, the legislation would establish a standby mechanism to mitigate the impact of any possible future reduction or elimination of watch duties on a worldwide basis through trade negotiations and congressional action. This mechanism—which has broad support among the insular and domestic watch manufacturing and distribution sectors—would ensure that any future reduction in watch duties does not disturb the relative value of current duty incentives and PIC program benefits for the insular watch industry. Importantly, this standby mechanism would have no effect on current watch duties or PIC program limits.

In conclusion, I want to thank my cosponsors of H.R. 5179, the gentlelady from Connecticut, Representative NANCY JOHNSON and the gentleman from New York, Representative MIKE McNULTY for their strong support. I also want to express my gratitude to the Chairman of the Ways and Means Committee, BILL THOMAS and the Ranking Democrat CHARLES RANGEL for their decision to include both of my bills in the Miscellaneous Trade bill today.

Mr. LEVIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. THOMAS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PETRI). The question is on the motion offered by the gentleman from California (Mr. THOMAS) that the House suspend the rules and pass the bill, H.R. 5385, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 5385.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SUDAN PEACE ACT

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5531) to facilitate famine relief efforts and a comprehensive solution to the war in Sudan, as amended.

The Clerk read as follows:

H.R. 5531

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sudan Peace Act".